

**BDAC Finance Work Group  
Meeting Summary  
July 18, 1996**

**Attendance List:**

BDAC members of the Work Group present were:

Eric Hasseltine (chair)	Rosemary Kamei	Tom Maddock
Roberta Borgonovo	David Guy	

Finance

CALFED Staff present were:

Zach McReynolds	Michael Norris (minutes)	Michelle Wong
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Workgroup

Other participants included:

Craig Stroh, USBR	Robert Mott, consulting economist
David Orth, Westlands Water Dist.	Herb Greydanus, Bookman-Edmonston
David Yargas, Environmental Defense Fund	Peter Yolles, Environmental Defense Fund
Susan Pantell, Bay Institute	Jeff Phipps, Northern Calif Power Assoc.
Ray Hoagland, Dept Water Resources	Peter Von Haam, MWD of Southern Calif.
Lora Steere, East Bay Mun. Util. District	Amy Fowler, Santa Clara Valley Water Dist.
Richard Atwater, Bookman-Edmonston	Tim Quinn, MWD of Southern Calif.

The July work group meeting agenda addressed three separate topics:

- Update on state and local funding activities (SB 900);
- Discussion of Business Round Table paper;
- Explanation of Financial Example by CALFED staff.

The meeting began with an introduction by chair, Eric Hasseltine, who reviewed the agenda and introduced attendees.

Zach McReynolds then distributed a summary of SB 900, (Proposition 204) and reviewed the events of the previous month leading up to signing of the bill by the Governor. Several meeting attendees were actively involved in final SB 900 negotiating, and gave comments on their participation and the outcome. Tim Quinn, of MWD, provided an overview of what was included in the approved legislation.

Rich Atwater gave the group an overview of ongoing efforts to secure federal funding for CALFED programs. Some discussion ensued about potential sources of funding, and associated timing.

Discussion then turned to the Business Round Table financial papers. Zach McReynolds gave an overview of the contents of the paper, and distributed copies of the paper to those

present. Members asked several clarifying questions, which led to a group discussion of the papers. The paper was generally viewed as a useful perspective, but additional analysis of alternative approaches and greater justification for the selected options will be required of the CALFED Program.

Following this discussion, Zach McReynolds explained the Financial Example which had been distributed to most of those present before the meeting. The focus of the discussions was on clarifying the meaning of the various numbers presented, and gaining a sense of how the example was related to the current three Phase II alternatives.

Two significant policy issues were addressed:

1. Ongoing O & M costs for portions of the Program without user-based revenues need special consideration, and
2. Use of bond issues will substantially reduce up-front cash needs, and spread costs out over time.

After discussion, the meeting was adjourned. The next meeting is scheduled for 1:00 p.m., August 29, 1996 at the offices of the Contra Costa Water District.